

TIMBER SALE PROSPECTUS

Sale name: RYE ON HAM III Type of Sale: Weight Scaled
National Forest: Idaho Panhandle Ranger District: St. Joe (Avery)
Bidding Method: Sealed Bid Bid Guarantee: \$ 25,400.00
Location of Bid Opening: Office: Forest Supervisor's Office
3815 Schreiber Way
Address: Coeur d'Alene, ID 83815

Date: January 28, 2004

Time: 9:30 am

1. INTRODUCTION. This prospectus furnishes prospective bidders with information not contained in the published advertisement and is designed to enable bidders to decide whether or not to further investigate the sale. The prospectus is not a legally binding document, but is offered to provide general information about a sale. The contract does not include descriptions, estimates, and other data in this prospectus, unless otherwise stated. In the event that the prospectus contains an error or contradicts the sample contract, the contract governs. Bidders are urged to examine the timber sale and make their own estimates. Timber sale contract form FS-2400-6 will be used. Inspect the sale area and the sample contract before submitting a bid. Obtain the appraisal, other information on the timber, and conditions of sale and bidding at Forest Service offices listed above and in the named attached advertisement.

2. BIDDING. This is a sealed bid sale. Bidders must submit an initial bid on prepared forms they can obtain from Forest Service offices listed above and in the attached advertisement. The forms include instructions for bidding and submission of the required certifications. A bid guarantee must be included with the bid in the form of cash, a bid bond on form FS-6500-13 (4/82) or later, certification of annual bid bond allocation on form FS-6500-13a (4/82) or later, an irrevocable letter of credit, a certified check, bank draft, cashiers check, official bank check, or bank or postal money order payable to the Forest Service, USDA in the amount specified above and in the bid form. The bid guarantee shall be returned to each bidder whose bid is not accepted.

Total Sale Value/Proportionate Rate Bidding:

Prospective purchasers must submit bids for the sale-as-a-whole. The advertisement states minimum acceptable bid rates together with the estimated quantities of timber. The bidder should enter the offer on the bid form only in terms of the sale-as-a-whole. The Forest Service shall conduct auction bids only in terms of the sale-as-a-whole. The Forest Service shall establish bid rates by species in the contract equal to the minimum acceptable bid plus the proportionate bid premium. The bid premium will be rounded to the nearest cent. The proportionate bid premium is the bid increase for the sale-as-a-whole divided by the total sale minimum acceptable bid times the minimum acceptable bid rate by species.

3. LOCATION AND DESCRIPTION OF TIMBER. Refer to the sample contract and sale area map attached to the sample contract for legal location of sale area, location of payment units, location of cutting units, the acreage of sale area, and the cutting unit acreage.

The sale area is 2,778 acres in size and is located in 1, 2, 11, 12, 13, 14, 24, T46N, R5E and sections 6, 7, 18, T46N, R6E., Boise Meridian, Shoshone County, Idaho. The timber stand atlas compartment number is 210-5, 6, 7, St. Joe Ranger District, Idaho Panhandle National Forests. Harvest is planned on 254 acres. The sale area lies in the Rye and Kyle subdrainages of the North Fork of the St. Joe River drainage.

This sale is prepared under the direction of the North Fork Environmental Impact Statement, approved by David J. Wright., Forest Supervisor on 10/14/1999. The purpose of this sale includes vegetation management, road access changes, aquatic restoration and recreation improvements. This sale lies in Forest Plan Management Area 1, 4, 6, 12 and 20. Units 1, 2a, 3, 4a, 5a, 6, 8a, 9, and 10 are tractor units and Units 2b, 4b, 5b, 7, 8b, 11, 12, and 13 are skyline units.

4. TIMBER QUANTITIES AND RATES. The quality, size, cut per acre, and product suitability of the timber are estimates based on detailed cruise information on file and available for inspection at the Forest Service offices listed above and in the advertisement. VOLUME QUANTITIES LISTED HEREIN ARE MADE AVAILABLE WITH THE UNDERSTANDING THAT VALUES SHOWN ARE FOREST SERVICE ESTIMATES AND ARE NOT GUARANTEED. For these reasons, bidders are urged to examine the timber sale area and make their own estimates.

Road Construction Costs. The advertised rate does not include the estimated cost of specified road construction. The estimated road construction cost has been included in the appraisal as a cost that the purchaser will incur. The purchaser will be responsible for the road construction cost and WILL NOT receive credit towards stumpage costs for this expense, i.e., THIS SALE DOES NOT INCLUDE PURCHASER CREDIT and bidders should consider the cost of road construction when developing their bids.

THE MINIMUM ACCEPTABLE BID RATE IS STATED IN THE ATTACHED BID FORM. THESE RATES ARE EFFECTIVE AT THE TIME OF ADVERTISEMENT.

**Estimated Quantities and Minimum Acceptable Rates
per Unit of Measure**

Species	Product	Unit of Measure	Estimated Quantities	Average DBH	Minimum Acceptable Bid Rates	Base Rates	Required Deposits	
							Slash Disposal	Road Maintenance
White pine	Sawlogs	Ton	15	10	\$13.98	\$6.49	\$1.13	\$0.46
Cedar	Sawlogs	Ton	3	8	\$13.98	\$6.49	\$1.13	\$0.46
Douglas fir	Sawlogs	Ton	1468	12	\$13.98	\$6.49	\$1.13	\$0.46
Larch	Sawlogs	Ton	321	13	\$13.98	\$6.49	\$1.13	\$0.46
Spruce	Sawlogs	Ton	321	11	\$13.98	\$6.49	\$1.13	\$0.46
Grand fir	Sawlogs	Ton	3055	12	\$13.98	\$6.49	\$1.13	\$0.46
Lodge pole	Sawlogs	Ton	12496	10	\$13.98	\$6.49	\$1.13	\$0.46
Alpine fir	Sawlogs	Ton	49	10	\$13.98	\$6.49	\$1.13	\$0.46
Ponderosa Pine	Sawlogs	Ton	15	15	\$13.98	\$6.49	\$1.13	\$0.46
All	Non-sawlogs	Ton	395		\$13.98	\$6.49	\$1.13	\$0.46
	TOTAL		18138					

The minimum acceptable bid for advertised timber is \$ 253,569.24 for the sale-as-a-whole. The bid rate for species and unit of measure are assigned under procedures for average bid premium bidding as noted in this prospectus. The bid rate is based upon the pricing procedures provided by the timber sale contract. This rate has been established by appraisal, with a cost allowance for the roads specified by the contract, if any. Required deposits for slash disposal and road maintenance are in addition to the advertised rates for timber. Purchasers are responsible for the cost of specified road construction. Specified road construction costs ARE NOT available to use as credit for the payment of stumpage, i.e., THIS SALE DOES NOT INCLUDE PURCHASER CREDIT.)

Estimated Knutson-Vandenberg deposit for sale area improvement work in a total amount of \$116,153.10 is included in total timber value.

5. PERIOD OF CONTRACT. The normal operating season covers the period between June 15 and October 31 . Contract termination date is December 31, 2007 . Extensions of this contract may be granted only when the purchaser has met specified conditions.

The purchaser must submit a general operating plan to the Contracting Officer for approval before operations begin or within 60 days of sale award, whichever is earlier. The plan must show how the purchaser plans to complete the contract by the termination date. In addition to the general operating schedule, the purchaser must submit an annual schedule of operations before commencing operations. This schedule will include the anticipated major activities and needs for harvest. This annual schedule of operations does not require concurrence of the Forest Service.

6. PAYMENT. Payment for timber and any required deposits for slash disposal or road maintenance are required in advance of cutting. Purchaser may transfer purchaser credit into the contract, or provide an acceptable payment guarantee prior to cutting. Payment for required deposits must be a cash payment. At advertised rates, the transfer in purchaser credit limit is \$ 0.00 . The purchaser shall make advance deposits in accordance with B4.222 - Advance Deposits.

The high bidder whose bid is accepted shall, at the time the contract is signed and returned by the bidder, make a downpayment pursuant to Title 36, Section 223.49, of the Code of Federal Regulations. The Contracting Officer will notify the high bidder of the amount necessary to make this payment. In no case shall the downpayment be less than 10 percent of the advertised value plus 20 percent of the bid premium. The bidder may use transferred-in purchaser credit to meet this requirement. After receipt of the downpayment and a satisfactory performance bond and upon execution of the timber sale contract, the Forest Service will return the bid guarantee. A cash bid guarantee may be applied to the downpayment at the request of the purchaser. The purchaser cannot apply the amount deposited as a downpayment to cover other obligations due on the sale until stumpage value representing 25 percent of the total bid value of the sale has been cut, removed, and paid for on the statement of account.)

By 05/24/2006, the purchaser shall have paid for, or in lieu thereof, deposited cash in the amount of: (1) 50 percent of the total estimated bid premium, or (2) 35 percent of the total estimated sale value at bid date, exclusive of required deposits, rounded up to the next \$100. Purchaser credit transferred in may be used to meet this requirement. Transferred-in purchaser credit cannot be subsequently transferred to another sale unless the credit is replaced by cash.

By 5/24/2007, the purchaser shall have paid for, or in lieu thereof, deposited cash in the amount of 75 percent of the total estimated sale value at bid date, exclusive of required deposits, rounded up to the next \$100. Purchaser credit transferred in may be used to meet this requirement. Transferred-in purchaser credit cannot be subsequently be transferred to another sale unless the credit is replaced by cash.

7. PERFORMANCE BOND. A performance bond is required. The penal sum of the bond will be 10 percent of the total bid value of the sale, rounded up to the nearest \$100 when the total bid value is \$10,000 or less; and rounded up to the nearest \$1,000 when the total bid value exceeds \$10,000. If an irrevocable letter of credit is used to secure the performance bond, the termination of the letter of credit must be at least 12 months past the contract termination date.

8. SPECIFIED ROADS. The Forest Service has determined that the following forest development roads shall be constructed or paid for, in whole or in part, by the timber sale purchaser. Sufficient information to permit a prospective bidder to calculate the likely cost to be incurred for road construction is available at the Forest Supervisor's Office. See the sample contract for verification of specific details and information concerning construction specifications. CONSTRUCTION ESTIMATES AND INFORMATION CONTAINED HEREIN, TOGETHER WITH RELATED SPECIFICATIONS, ARE NOT GUARANTEED. The following roads are those that Forest Service considers necessary to remove the timber from this sale.

Road Number	Road Name	Traffic Service Level	Approximate Miles	Estimated Road Construction Cost	Type of Work *C or *R
1997	Rye Creek	C	10.20	29415.21	R
1997A	Arid Ridge	C	0.33	358.24	R
3369	East Kyle	D	3.82	4,147.00	R
3369A	North Kyle Upper Spur	D	1.09	1,183.31	R
3369C	North Kyle Lower Spur	D	0.52	564.51	R
3370	Chipper	D	0.76	825.06	R

* C = Construction

* R = Reconstruction

The required specified road completion date for all roads is October 15, 2004.
If provision C5.13 # - Road Completion Date has different dates for projects, this is the final road completion date.

Total estimated road construction cost allowed in appraisal is \$ 36,493.33

9. ROAD MAINTENANCE. Purchaser shall perform or pay for road maintenance work, commensurate with purchaser's use, on roads controlled by Forest Service, and used by purchaser in connection with this sale. Road maintenance requirements are based on the predicted haul route. Any change in the purchaser's actual haul route may necessitate a change in the roads to be maintained and/or in the amount of required deposit for road maintenance. Required deposits for road maintenance are listed above and in the sample contract. Maintenance specifications are in the sample contract.

10. INAPPLICABLE STANDARD PROVISIONS. See sample contract.

11. SPECIAL PROVISIONS. See sample contract.

12. FINANCIAL ASSISTANCE. The Small Business Administration (SBA) may be able to assist small business concerns in financing construction of specified roads listed in the sample timber sale contract. Such SBA assistance, if available, may be in the form of guaranteed bank loans or direct participation SBA loans. Applicants must meet SBA size and eligibility requirements. **APPLICANTS ALSO MUST MEET CREDIT REQUIREMENTS OF SBA AND/OR A LOCAL BANK. APPROVAL OF LOAN ASSISTANCE RESTS WITH SBA AND IS CONTINGENT ON AVAILABILITY OF LOCAL FUNDS OR SBA FUNDS. FAILURE TO BE ELIGIBLE OR TO OBTAIN A LOAN IN NO WAY AFFECTS REQUIREMENTS OF BID FOR ADVERTISED TIMBER SALE OR THE TIMBER SALE CONTRACT.** If requested by the purchaser, the timber sale contract can provide repayment of direct SBA loans through the Forest Service as the timber is cut.

13. SET-ASIDE SALES. Not applicable.

14. LOG EXPORT AND SUBSTITUTION RESTRICTIONS. The contract requires domestic processing of included timber except for species declared to be surplus, and prohibits the use of such included timber in substitution for unprocessed private timber exported. The bidder, by signing the bid for advertised timber, certifies compliance with the applicable prohibitions against export and substitution prescribed in the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 U.S.C. 620, et seq.) with each bid.

15. EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE REVIEW. If the total bid value plus required deposits for this contract exceeds \$10 million, before award, the Forest Service shall request an equal employment opportunity compliance review of the high bidder to determine compliance with the provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967.

16. AWARD: The Contracting Officer is required to make a determination of bidder responsibility as stated in Title 36, Section 223.101, of the Code of Federal Regulations.

To determine a purchaser to be responsible, a Contracting Officer must find that:

- a. The purchaser has adequate financial resources to perform the contract or the ability to obtain them;
- b. The purchaser is able to perform the contract within the contract term taking into consideration all existing contracts and Governmental business commitments;
- c. The purchaser has a satisfactory performance record on timber sale contracts. A prospective purchaser that is or recently has been seriously deficient in contract performance shall be presumed not to be responsible, unless the Contracting Officer determines that the circumstances were beyond the purchaser's control and were not created through improper actions by the purchaser or affiliate, or that the purchaser has taken appropriate corrective action. Past failure to apply sufficient tenacity and perseverance to perform acceptably under a contract is strong evidence that a purchaser is not a responsible contractor. The Contracting Officer shall consider the number of contracts involved and extent of deficiency of each in making this evaluation;
- d. The purchaser has a satisfactory record of integrity and business ethics;
- e. The purchaser has or is able to obtain equipment and supplies suitable for logging the timber and for meeting the resource protection provisions of the contract;
- f. The purchaser is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Bidders, by signing the bid form, certify that to the best of bidder's knowledge bidder will meet the requirements in 36 CFR 223.101, determination of purchaser responsibility, and if awarded this contract that bidder will complete the timber sale contract and any modifications thereof in accordance with its terms including requirements to purchase, cut, and remove included timber.

17. FALSE STATEMENTS ACT. Bidders, by signing the bid form, certify that they are aware that bidder is subject to the penalties prescribed in 18 U.S.C. 1001, Chapter 47, Fraud and False Statements (P.L. 104-45). The Act states "whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both."

18. DAMAGES. This contract shall be terminated for breach pursuant to paragraph 16, 19, and/or 21 of the bid form and the terms of the sample contract if: 1) bidder fails to execute a timber sale contract, furnish a downpayment, or furnish a satisfactory performance bond within 30 days of the award letter's date; or 2) bidder is found to have violated the False Statements Act in making any statement or certification on the bid form including not meeting purchaser responsibility requirements, and bidder has made a false statement. The bid guarantee shall be retained, in whole or in part, by the Forest Service to satisfy any damages that may be assessed.

19. SUSPENSION AND DEBARMENT CERTIFICATION. Non-procurement debarments and suspensions are governed by the Government-wide common rules (7 CFR 3017).

These rules require each participant, in this case the timber sale purchaser, to submit a certification for itself, its principals, and its affiliates when bidding on sales. The bidder must designate its status regarding debarment, suspension, and other matters as specified on the bid form. The bidder, by signing the bid form, certifies this status. An explanation for not submitting a certification may be submitted. The Contracting Officer will determine whether the explanation provides sufficient reason for permitting participation in the bidding.

Also, as a participant enters into covered lower tier transactions, these lower tier participants must certify their eligibility. The lower tier certification titled Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Transactions must be provided to the lower tier participant, but completed certifications are not required to be submitted with bid forms. Purchaser must keep these lower tier certification forms on file for review by the Forest Service, if requested.

The certification forms and instructions for lower tier transactions are provided as an addendum to the bid form.

20. OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) LOGGING REGULATIONS. Conduct of operations on this timber sale is subject to inspection for compliance with the logging operations regulations at 29 CFR 1910.266 by OSHA. This standard is applicable to the entire logging industry wherever logging operations occur. Information is available to assist purchasers to ensure compliance with the logging operations regulations during conduct of this timber sale from the U.S. Department of Labor, Occupational Safety and Health Administration, 1150 N. Curtis Road, Suite 201, Boise, Idaho 83706-1234.

21. GENERAL.

A. Flagging Requirements: Flag persons and signage will be used to warn and protect the public during felling or logging operations where overhead hazards occur adjacent to Trail

175. Safety precautions are set forth in the timber sale contract in B6.22 and B6.33 attachment, Warning Sign Specifications for Logging and Maintenance.

- B. Special Trail Protection Measures: Trail 175, located just outside the boundary of the unit 1, 3, 9, and 11 will be protected. Any timber adjacent to this trail will be directionally felled away from the trail. Any logging debris will be removed from the trail. B6.22 and B6.33.
- C. Road Obliteration: At the end of logging operations the Purchaser will be required to obliterate several roads within the sale area. See C5.41# Closure to use by Others (2/02) for details. See appraisal appendix for cost.
- D. Noxious Weeds: all off road logging equipment will be washed and inspected before entering the timber sale area. C6.351#.
- E. Intermediate supports will be required in units 11 and 12 in some sets.
- F. Limited Operating Period: April 15 to June 30 in Units 2a,2b,8a,8b,9, and 11 and also Roads 1997 and 3369 in order to meet lynx denning requirements. C6.316#.
- G. A prework Conference will be needed upon award, C6.10.